



# U.S. Securities and Exchange Commission

## Net Asset Value

"Net asset value," or "NAV," of an [investment company](#) is the company's total assets minus its total liabilities. For example, if an investment company has securities and other assets worth \$100 million and has liabilities of \$10 million, the investment company's NAV will be \$90 million. Because an investment company's assets and liabilities change daily, NAV will also change daily. NAV might be \$90 million one day, \$100 million the next, and \$80 million the day after.

[Mutual funds](#) and [Unit Investment Trusts \(UITs\)](#) generally must calculate their NAV at least once every business day, typically after the major U.S. exchanges close. A [closed-end fund](#), whose shares generally are not "redeemable"—that is, not required to be repurchased by the fund—is not subject to this requirement.

An investment company calculates the NAV of a single share (or the "per share NAV") by dividing its NAV by the number of shares that are outstanding. For example, if a mutual fund has an NAV of \$100 million, and investors own 10,000,000 of the fund's shares, the fund's per share NAV will be \$10. Because per share NAV is based on NAV, which changes daily, and on the number of shares held by investors, which also changes daily, per share NAV also will change daily. Most mutual funds publish their per share NAVs in the daily newspapers.

The share price of mutual funds and traditional UITs is based on their NAV. That is, the price that investors pay to purchase mutual fund and most UIT shares is the approximate per share NAV, plus any [fees](#) that the fund imposes at purchase (such as [sales loads](#) or [purchase fees](#)). The price that investors receive on redemptions is the approximate per share NAV at redemption, minus any fees that the fund deducts at that time (such as [deferred sales loads](#) or [redemption fees](#)).

For the statutory and regulatory provisions relating to NAV, refer to the Investment Company Act of 1940 and the rules adopted under that Act, in particular Section [2\(a\)\(41\)](#), and Rules [2a-4](#) and [22c-1](#).

<http://www.sec.gov/answers/nav.htm>

We have provided this information as a service to investors. It is neither a legal interpretation nor a statement of SEC policy. If you have questions concerning the meaning or application of a particular law or rule, please consult with an attorney who specializes in securities law.